3: Hiscocks G-4, 5 (1946-1949) 1953 EK1 Austria EK1

The German authorities raised the number of employees to over 100,000 during the War, compared with 57,000 in 1937, and owing to the difficult conditions of the immediate post-War years, this excessive figure was only slowly reduced. By 1950 it was down to about 80,000, but only at the expense of increasing the number of pensioners, who in that year actually exceeded the employees by nearly 4,000. This disproportionate burden in respect of pensions, which accounted for nearly a third of the budget, was due to the political changes both in 1945 and 1918, no less than 15,000 of the pensioners being German-speaking employees who were dismissed when the Habsburg Empire broke up.

The railways also suffered from the competition of road, river, and air transport, all of which were in receipt of large, mostly concealed subsidies in the form of road construction and repairs and the building and maintenance of wharves and aerodromes. The rivalry of road vehicles was particularly severe, the number of lorries and trailers in the autumn of 1949 exceeding the 1937 figures by nearly 300 and 900 per cent respectively.

A third factor that contributed to the heavy deficit was the comparatively small increase in fares that had occurred since before the War. In the summer of 1951 the passenger and freight fares were only 195 per cent and 285 per cent of the 1937 figures, whereas the rise in the general price level amounted to about 700 per cent. As the railways were subsidized directly, and road transport indirectly, in neither case was the principle respected that those who use transport services should pay for them.

In spite of the serious position of the Austrian railways after the War, they remained by far the greatest single economic enterprise in the country, and their potential contribution to the balance of trade in happier times was considerable. A substantial allocation was therefore made to them from counterpart funds. It was to be used for two main purposes: to repair war damage and to extend electrification. The electrification programme of the between-War period had resulted in 990